RANDOM HOUSE, INC.
201 EAST 50TH STREET, NEW YORK, N.Y. 10022
TELEPHONE 212 751-2600

May 22, 1984

Mr. Paul Hawken
Smith & Hawken, Ltd.
25 Corte Madera
Mill Valley, CA 94941

Dear Mr. Hawken:

I am writing to outline our proposal for clearing up the long outstanding debt of the Point Foundation to Random House.

As you know, the debt was incurred as a result of certain over-payments (due to an insufficient reserve for returns) on the first edition of THE NEXT WHOLE EARTH CATALOG. Our March 31, 1984 accounting shows the balance of the indebtedness at approximately $72,000. In an effort to remove the debt over a reasonable length of time--twelve months--I propose the following:

1. Sales of the second edition of THE NEXT WHOLE EARTH CATALOG continue at an average of about 1,400-1,500 net copies per quarter, thereby producing receipts of about $8,000 per quarter.

Quarterly Gross Copies (est)	1,750
Returns (20%)	350
Net Copies	1,400
List Price	$15.00
Net Sales (47% avg. discount)	$11,130
RH Distribution Fee (22.5% gross)	$3,130
Net Receipts	$8,000
Est. July 1, 1984- June 30, 1985	$32,000

2. The balance of the debt, $40,000, would become the principal of an interest-bearing promissory note payable in four equal installments of $10,000 due on the first day of each quarter commencing July 1, 1984. Interest, at the Chemical Bank prime rate plus one, would be charged quarterly by deducting this sum from the net receipts reported on our quarterly accountings to the Point Foundation.

3. Any remaining indebtedness on June 30,1985, including any accrued interest under point 2. above, would be repayable immediately.

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I trust you will think this to be a fair and equitable solution for both the Point Foundation and Random House. If I can have your reponse by phone or mail, we can begin drafting the necessary documents.

Sincerely,

Jack McKeown
Director of Business Affairs
Adult Trade

JMcK/np

RANDOM HOUSE, INC.

201 EAST 50TH STREET, NEW YORK, N.Y. 10022
TELEPHONE 212 572-2165

ROBERT COWLEY
ADULT TRADE EDITOR

RECEIVED MAR 1 2 1984

March 8, 1984

Stewart Brand
CoEvolution Quarterly
Box 428
Sausalito, CA 94965

Dear Stewart:

I don't know whether the latest statement has reached you yet. It shows a net sales of 1,598 for the last quarter, or $13,096 off the Point Foundation debt--which leaves you owing $79,804. We still have 12,606 copies, much fewer than I thought, in the warehouse; we need to sell 9,500 to break even.

Wasn't Paul Hawkin supposed to contact us in January? He never did. We'd like to work something out, in a way that would not be too onerous. Jack McKeown will probably soon be in touch with a proposal.

Give me a call, and let's talk.

Best,

RL